

Submitted Report

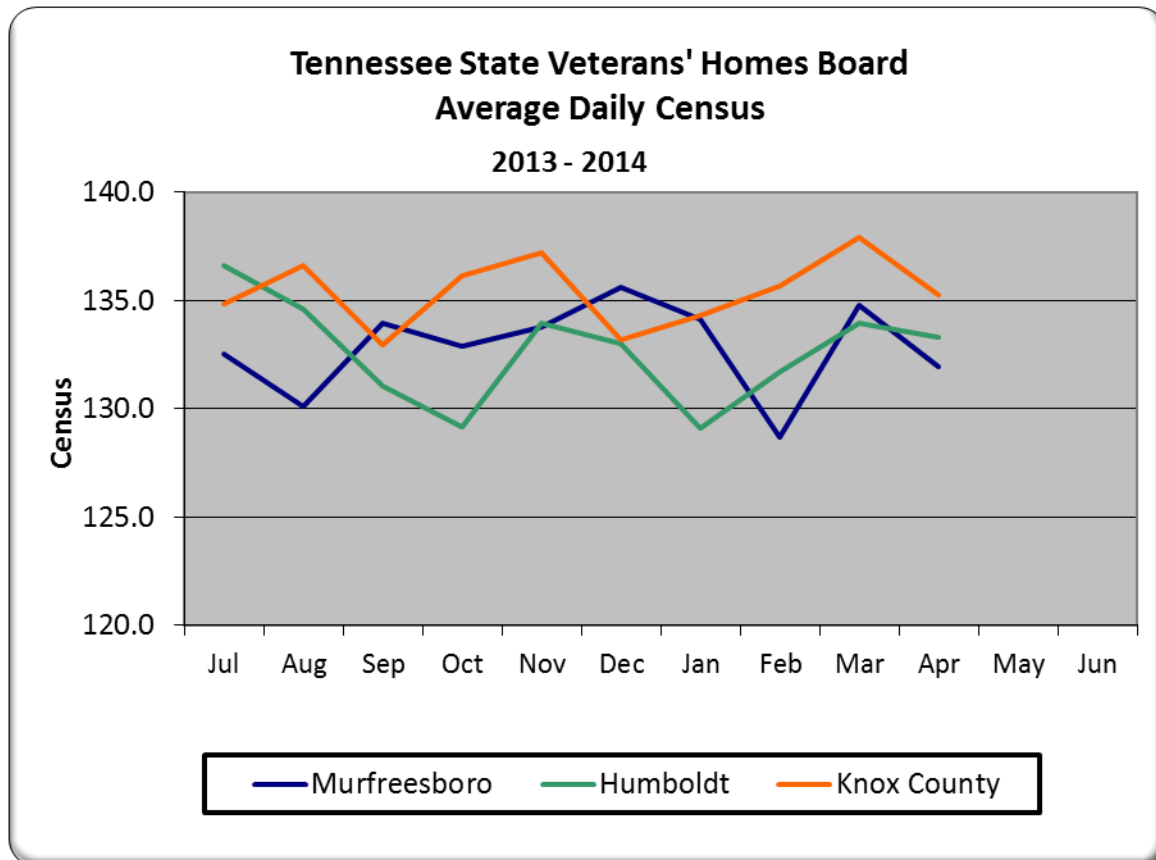
Tennessee State Veterans Homes Board

UTVA June 3, 2014

Ed Harries

**Tennessee State Veterans Homes Board
Report to UTVA June 2014**

The following chart shows the average daily census for the three homes. Each home has 140 beds dually certified for Medicaid and Medicare.



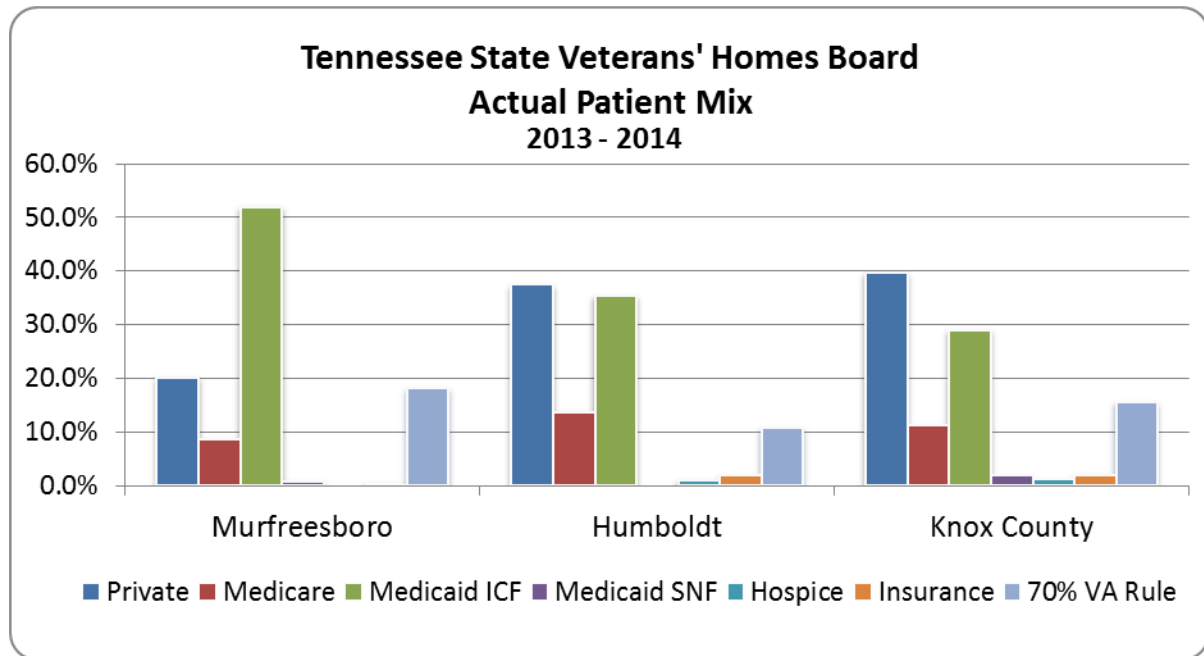
For the month of April 2014, each facility is reporting the following average daily census (ADC) and occupancy information:

| <u>Facility</u> | <u>ADC</u> | <u>Occupancy</u> |
|-----------------|------------|------------------|
| Murfreesboro | 133 | 94.2% |
| Humboldt | 134 | 95.2% |
| Knox County | 135 | 96.6% |

The occupancy rate at all three facilities exceeds the state occupancy rate of 79.6%.

Tennessee State Veterans Homes Board Report to UTVA June 2014

Patient mix is a key factor and drives revenues for the homes. Patient mix year to date at April 30, 2014 is shown below.



State Audit

In November 2013, the Division of State Audit released its audit report for the fiscal year ended June 30, 2012. The audit report was issued with zero (0) findings.

State Audit entered the field on January 21, 2014 for its audit of fiscal year ended June 30, 2013. Management anticipates the same results as FY2012

Management remains committed to continued improvements in financial reporting, internal controls, and fiscal responsibility. The Board's Audit Committee takes proactive measures in dealing with issues identified by management's review of internal controls as well as those identified from other sources.

Regulatory Compliance

The TSVHs in Murfreesboro and Knoxville continue to receive five-star overall quality ratings by CMS which is the highest rating. Humboldt received four stars during the reporting period. The Five-Star Quality Rating System was created to help consumers, their families, and caregivers compare nursing homes more easily. This rating system is based on continued efforts as a result of the Omnibus Reconciliation Act of 1987 (OBRA '87), a nursing home reform act, and more recent quality improvement campaigns such as the Advancing Excellence in America's Nursing Homes, a coalition of consumers, health care providers, and nursing home professionals.

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Nursing home ratings are taken from the following three sources of data:

- Health Inspections
- Staffing
- Quality Measures

CMS provides a star rating for each of these three sources. These three ratings are combined to calculate an overall rating.

The Department of Veterans Affairs conducted annual operational and clinical reviews in March 2014, January 2014 and June 2013 of each of the three TSVH homes. No significant issues or concerns were noted. The Knoxville home received one citation regarding a malfunctioning gate. The Murfreesboro home received one citation because the fire alarm visual indicator strobes did not flash in unison. The Humboldt home received a perfect score.

The Tennessee Department of Health has conducted its annual survey of each facility. The Knoxville survey was completed in December 2013. There was one deficiency unrelated to resident care.

The TSVH home in Humboldt had their survey in May 2013. This survey had five minor clinical deficiencies. None of these citations were related to resident care.

The Murfreesboro survey was completed in April, 2014, with three minor clinical deficiencies which did not compromise patient care.

Each of the homes received a small number of non-clinical citations which were addressed immediately.

The average number of deficiencies cited in Tennessee's long term care facilities standard survey process is 7.3 and nationally at 7.4. QIS based surveys, which all of the facilities had, nationally average 12.3 citations. In the State of Tennessee the average is 7.5. TSVH has had no QIS based citations in the current fiscal year.